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8 April 1966

CHINESE COMMUNIST STRATEGY TOWARDS THE "MAPHILINDO" COUNTRIES

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Chinese Communist Strategy
Towards
The "Maphilindo" Countries

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SUMMARY

From the standpoint of the Chinese Communists, Malaysia, which until recently included Singapore, and the Philippine Islands present striking similarities. Both are pro-Western and anti-Communist; both have Western military bases on their soil; both have defeated major Communist-led insurgencies; both are members of the United Nations; both are important strategically; both have declared the Communist party illegal; and both have refused diplomatic recognition to Communist China.

Singapore, since its divorce from Malaysia, presents greater prospects for Chinese Communist influence.

Indonesia has served Chinese Communist strategy well. It has been anti-Western and particularly anti-American; it has withdrawn from the United Nations; and its legal Communist party has for all practical purposes been an informal arm of the Chinese Communist Government. The recently attempted coup was a major setback for Communist China.

Communist China will use all of the political, diplomatic, economic, psychological and subversive instruments available to promote its objective of political domination in Southeast Asia. For the present, except for providing advice and arms, it will reserve military pressure for the countries contiguous to mainland China. Tactics will vary according to Peking's assessment of the country involved.

CHAPTER 1

INTRODUCTION

Communist China is striving to create a China-centered political order in the Far East which would exclude the presence of major Western powers, particularly the United States. This goal is founded on a strong Chinese and Marxist concept of history. The leaders in Peking believe that the force of nationalism must inevitably move towards the removal of the West's influence over the destiny of Asia. With the decline of the West, the Chinese believe that the traditional preeminence of the Middle Kingdom will be restored in the Far East, which will then become highly responsive to influence emanating from the Chinese Communist state.

Peking is now infinitely more experienced in Southeast Asia, and its diplomacy is far more restrained and sophisticated than has been apparent in its actions in Africa. Secure in the memory of its traditional preeminence, China plays the role of a great power rather than the agent of revolution. While the general Mao tactics--determined struggle against American "imperialism" and "neo-colonialism," and support for national liberation movements--apply here as elsewhere, the pattern of Chinese action in Southeast Asia is far more variegated, far better tailored to individual countries.

Peking will use all of the instruments available to it

including political action, diplomacy, psychological warfare, economic and military aid, economic competition and subversion, to promote its long-range aims in Southeast Asia. At the present time, military pressure will of necessity be reserved for those countries which are contiguous to mainland China. The degree to which Peking will rely on each of these instruments will vary in accordance with its assessment of the country involved. Elimination of the presence and influence of the United States in the Philippines, and British and Commonwealth nations in Malaysia and Singapore is a primary goal. Today, these countries are pro-Western and anti-Communist which calls for the application of a different combination of tactics than will be applied to Indonesia which in recent years has drawn much closer to Communist China, and, in fact, has been a staunch supporter of Peking.

The achievement of a nuclear capability by Communist China will serve as a deterrent against an American nuclear attack on China that might have grown out of a crisis in the Far East. For the next decade or more, Chinese strategy may well be to deter the United States by threats against its allies in Southeast Asia. This would be in pursuit of a policy similar to that followed by the Russians in Europe--the holding of a country as hostage against American attack or pressure against the United States to abandon military bases in Southeast Asia. For example, China might threaten Manila with nuclear weapons unless the United States abandons its bases in the Philippines. The same strategy

could be applied against Great Britain and the Commonwealth nations by threatening Malaysia or Singapore.

In thinking beyond its direct national interests, Peking apparently views its revolutionary goals in fairly long terms and seems less willing to take serious risks to pursue these aims than it does to achieve more limited national interests. Yet, the Chinese Communists will certainly continue to press toward their long-range revolutionary aims, not only for ideological reasons, but also because the spread of Communist regimes across Southeast Asia would promote the immediate interests of China, as well as the world revolutionary movement. A successful Communist revolution in any "Maphilindo"¹ country would drastically change the entire strategic balance in Asia.

¹"Maphilindo" includes the countries of Malaysia, the Philippines and Indonesia. This term originated during the Manila Conference of July-August 1963 when leaders of these three countries met to discuss the formation of a confederation in lieu of Malaysia.

CHAPTER 2

MALAYSIA AND SINGAPORE

A study of the map of Southeast Asia highlights the strategic importance of Malaysia. It is the only country that is both part of mainland Asia and at the same time a part of the vast archipelago stretching westward from the Philippines and New Guinea to Sumatra. Thus, Malaysia is not only a bridge between continental and island Asia but also the gateway between the China Sea and the Indian Ocean (See Annex A). By virtue of this position, Malaysia is of vital importance to Southeast Asia and the world. Add to this fact that although Malaysia is a small nation of only 11 million people (including Singapore)¹ its economic significance is all out of proportion to its size and population. It is the world's leading producer of both natural rubber and tin.² For this reason, if none other, the peace and prosperity, security and stability of Malaysia are of key concern both regionally and internationally.

The Federation of Malaysia consists of the former Federation of Malaya, the British colonies of North Borneo (Sabah) and Sarawak and until recently (August 1965) included the state of Singapore.

Malaysia was created with the object of promoting political

¹Alastair Buchan, ed., China and the Peace of Asia, p. 32.

²Abdul Rahman, "Malaysia: Key Area in South East Asia," Foreign Affairs, Vol. 43, Jul. 1965, p. 659.

stability in a strategically important area and establishing a stronger barrier against the southward penetration of Communist Chinese influence. Yet, even before it was formally launched, Malaysia became a major cause of international friction in Southeast Asia and a focus of increasingly anxious concern for several other countries, including Britain, Australia and the United States. It was the incorporation of Sarawak and Sabah into the Federation which brought first the Philippines and then Indonesia to oppose its formation.³ Indonesia for its part sought to meet the Malaysian challenge on its own terms; by creating anti-Malaysia sentiment in North Borneo, and by seeking common cause with Malaysia's nominal ally, the Philippines. Indonesia has claimed to speak on behalf of the right of the people of North Borneo to self-determination, and in opposition to what it believes is British sponsored neo-colonialism. The Sukarno Government has provided supply and training bases for anti-Malaysia rebels from Sarawak and Sabah in Indonesian Borneo, and has dispatched its own nationals to assist these guerrillas. The Philippines, which bases its claim to Sabah on an ancient holding of the Sultan of Sulu which was allegedly only leased to the former British Borneo Company, has limited its opposition to a refusal to accord diplomatic recognition to Malaysia.⁴

Indonesia's "confrontation" became increasingly militant;

³George McT. Kahin, "Malaysia and Indonesia," Pacific Affairs, Vol. 37, Fall 1964, p. 253.

⁴Richard Butwell, "Malaysia and Its Impact on the International Relations of South East Asia," Asian Survey, Vol. 4, Jul. 1964, p. 942.

its announced objective is to "crush" Malaysia. The aim is morally to isolate Britain and bring about its military withdrawal from this area by persistent guerrilla warfare. As such a retreat is not inherently impossible--for apart from Hong Kong and Brunei, Malaysia is the last British commitment in the Far East, in the same way that West Irian was the last remnants of the greater glories of the Netherlands East Indies--it is not an entirely forlorn hope for the Indonesians to pursue. The strain on Britain might ultimately tell.⁵

The Indonesian Army has sponsored border attacks and guerrilla activities. Training and arms have been provided on an increasing scale to both the Indonesian Army and the disaffected people from Sarawak and Sabah, who have probed into the Borneo area of Malaysia from bases in Indonesian Borneo. This situation has forced Britain to dig deep into her army reserves in an effort to screen the thousand-mile jungle and mountain border between Malaysian and Indonesian Borneo. It is ironic that at a time when Britain planned to reduce her political and military commitment in this area she should be called upon to honor a defense treaty with Malaysia in a situation which might involve her in a major military effort.⁶ Thus, the military burden that falls on Britain is out of scale with her resources and out of proportion to her share of common aims and purpose.

⁵Buchan, op. cit., p. 165.

⁶Kahin, op. cit., pp. 253-254.

Under the ANZUS Pact the United States has obligations which might necessitate its supporting the involvement of Australia and New Zealand in the Borneo fighting. It is under strong pressure from these countries as well as from Britain to take a much firmer line with Indonesia. This commitment tends to favor the Chinese Communist thesis of defeating the Western powers by protracted guerrilla warfare because it might force the United States to divert resources from Vietnam.

Malaysia is now nearly three years old, and so is the Indonesian campaign against it. So far, the outcome of the conflict is far from decisive. On the positive side of the ledger for Malaysia, the country has survived (except for the withdrawal of Singapore from the Federation), and the longer it survives the greater is its chance of proving its viability. Externally it has been accepted in the United Nations, while the United States has been moving towards a position of increasing support, even though this is by no means as yet absolute and unqualified. Indonesia's economic difficulties, magnified by the severance of trade with Singapore, have been considerable. Political instability has risen and the recent attempted coup d'etat is bound to direct Indonesia's attention to internal problems.

On the negative side for Malaysia has been the rising, rather than decreasing, pressure of guerrilla warfare, not only in Borneo but also in Singapore and on the Malayan mainland.

This is of course the field, as Indonesia knows only too well, in which carrier task forces (and the Seventh Fleet as well) can do very little. Particularly significant were the racial clashes in Singapore, because they were striking at the roots of Malaysia's solidarity. Singapore's withdrawal from the Federation may create additional pressure for the dissolution of the Federation. External pressures often bare the weak points of a society, widen the cleavages, and unsettle the political system. This affords areas for exploitation by Communist China.

A basic reason for the establishment of Malaysia was Malayan fear of the potential political and economic threat of what is by far the world's largest concentration of overseas Chinese. Accounting for 42% of the population, the Chinese constitute the largest ethnic group in Malaysia, outnumbering the Malays themselves. The overriding problem for both the British and the Malaysian sponsors of Malaysia has been how to control politically, or at least keep insulated from Peking's influence, a culturally self-conscious group which is not only numerically the largest, but economically the strongest, and educationally by far the most advanced of all of Malaysia's peoples.⁷

The approach to this problem, taken by both London and Kuala Lumpur, has been based on the assumption that a substantial majority of the Chinese can be induced to develop a principal loyalty to Malaysia rather than China--despite policies

⁷Kahin, op. cit., p. 254.

discriminating against them in favor of the Malays and other indigenous groups. To the extent that Chinese leaders press for more radical social and economic policies, pressures will develop for a new and different pattern of accommodations between the country's Malay and Chinese communities. Whether there can be found a sufficient consensus among Malays and Chinese to ensure the political stability of even an authoritative Malaysian regime (much less the continuation of the present semi-democratic system) will depend both on external factors--especially Indonesian policy and pressures from mainland China--and the willingness of the Malay leaders to adjust to the minimum demands of the growing numbers of the politically conscious Chinese. Most crucial to Malaysia's future will be the willingness of the Malay leaders to make the concessions necessary to win their allegiance. The separation of Singapore from the Federation has added a new dimension to this problem.

The territories of Malaysia have rarely been free from internal disorder of some sort. These disorders have resulted mainly from conflicts of interest among political parties or racial communities, and from deliberate subversion. Regardless of their origins or purposes, however, these disorders have harassed and disrupted the social, economic and political life of the country to some degree, but none has ever been decisive, and on only two occasions were they serious enough to challenge the constitutional government.

The first significant challenge was the Communist threat to Malaya during The Emergency between 1948 and 1960. It was a campaign of terror and armed insurrection that was defeated only after the application of maximum military and police controls and through the integration of the military-civilian-administrative sectors in a unified defense effort.

The second serious threat to internal security began with the formation of Malaysia in 1963. This threat is still in progress, and there is no indication of its termination in the foreseeable future. It is a more powerful and complex challenge than was previously posed because it embraces a broader variety of attacks on the government, and involves the active participation of external as well as internal elements. The disruptive forces and agencies involved include Communists who seek to overthrow the anti-Communist government; various anti-federation and racial extremists who aim to change the form of government in pursuit of their own narrow concepts; remnants of the rebellious army that staged an unsuccessful revolt in Brunei in 1962, and who in 1965 were still determined to create an independent, unitary state in Borneo; and, perhaps of greatest import, the government agencies of Indonesia.⁸

In practice, Indonesia has followed an action program that is subversive. Indonesian forces and agents have clandestinely intruded Malaysian territory on armed raids and terror forays.

⁸US Dept of the Army. DA Pamphlet 550-45, pp. 651-652.

They have established, supported, directed and employed non-Indonesian fronts as instruments of sabotage and disorder. They have also created underground networks in Borneo, Singapore and Malaya for secret intelligence and agitation. Furthermore, they have provided guidance, training and logistical support to any Malaysian organizations opposing their government.⁹

There was no assurance by the end of 1965 that the situation would remain static. No single internal element, or combination of elements, had a capability to overthrow the government, nor could Indonesia do so by force of arms against the greater strength available from the British Commonwealth. In concert, however, all opposition forces could maintain and eventually even intensify their harassing attacks and subversion indefinitely. Protracted pressure could place a strain on the economy, delay promised social and economic development, and disrupt orderly life to the extent that the people might seriously question the validity of the Malaysian concept itself. The most dangerous challenge then might become whether or not impatience and disillusionment could achieve what terrorism and subversion over the years had found impossible.

There is no single, monolithic, Communist party in Malaysia. The movement as a whole is united only in its dedication to a common international ideology. In practice, the party is divided into two otherwise non-integrated groups: one is the Malayan Communist Party (MCP), operative in Malaya and Singapore; the

⁹Ibid., p. 652.

other is the nebulous Borneo Communist Party (BCP), which directs activities in all of Malaysian Borneo. Both organizations are officially illegal. Nevertheless, they are in direct communication with members of foreign Communist parties, particularly with those of the Chinese Communist Party (CCP) and the Indonesian Communist Party (PKI). From both parties they receive aid, and to both they render maximum support and assistance.¹⁰

A mixture of races is not a problem peculiar to Malaysia. Many other countries large and small have it: Fiji and British Guiana, for instance, as well as the two most powerful countries in the world, the United States and the Soviet Union. But the racial issue has been particularly acute in Malaysia because of the large proportion of non-Malays--about one-half. This has been Malaysia's biggest problem. With the divorce of Singapore, the problem is more manageable, but it still remains. There are large Chinese and Indian communities in Malaya itself. In Sarawak there are Chinese, Ibans and Dyaks, as well as Malays. In Sabah, there are Dusuns, Chinese and smaller groups of Filipinos and Indonesians.

Kuching, a city of some 56,000 people in Sarawak, has been the scene of the most determined penetration by Chinese Communist subversives of any capital in Southeast Asia except Singapore. They have infiltrated the schools, labor unions and newspapers, and have built up a political force that has been able to survive continual suppressive measures. Like the Communists in Malaya who engaged

¹⁰Ibid., p. 653.

British forces in guerrilla warfare for 12 years, the Communists in Sarawak are almost all Chinese. Unlike their fathers, however, whose interests are strictly confined to business, this new generation of young Chinese is restless, dedicated, and unmanageable except by their own disciplined organization, which is closely connected with the militant Communist movement in Singapore. Hundreds of Sarawak Chinese youths are said to have joined the guerrilla bands that are being trained by Indonesian Army officers, across the border, for operations designed to disrupt the anti-Communist Federation of Malaysia.¹¹

There are also delicate problems for Sabah. The presence of nearly 40,000 Indonesians, mostly wharf laborers who came from Kalimantan to earn wages in hard Malayan dollars, constitute a ready-made vehicle for infiltration of subversives from Djakarta. Probably more serious in the long run is the sensitive racial complexion of the population. The possibilities for friction between native and Chinese, and between all the Borneo people and the Moslems from Malaya require tactful treatment.¹²

As praiseworthy as the energy and present stability of Malaya may be, there are built-in elements of discord that could pose a serious threat to the government. Foremost among these elements is racial animosity. Next is the tendency toward leftism that is endemic among ambitious young Asians as an expression against

¹¹Robert Trumbull, The Scrutable East, p. 55.

¹²Ibid., p. 80.

Western domination. The third threat is the stultifying influence of Moslem religious fanaticism. Like the Philippines, Malaya would be a particularly rich prize for Communist China because it is frankly pro-Western and anti-Communist and a showplace of parliamentary democracy and the free enterprise system. A stable Malaya under the protection of Britain and her allies is a roadblock to Communist investment in all Southeast Asia, and therefore is a keystone of the non-Communist world. Conversely, Malaya in the hands of the Communists could block communications between the Pacific and Indian Oceans through the straits of Malacca, and ensure the fall of the rest of the Southeast Asian peninsula, with all its strategic importance and enormous assets in natural resources. In view of the inflammable racial situation in Malaya, with all of its possibilities for exploitation by the Communists, complacency would be shortsighted.¹³

The attachment of Singapore to Malaya in the Federation of Malaysia presented the Communists with a strong base in the Tunku's domain. The recent withdrawal of Singapore from the Federation has qualified it as a potential Cuba in Malaysia's backyard. Singapore's nearly 2 million people are about 76% Chinese, and Chinese Communist penetration has been particularly deep among labor unions and student organizations. For example, Nanyang University, an all-Chinese institution, is reported to be so saturated with

¹³Ibid., pp. 86-89.

Communist cells among both teachers and students that the campus is practically an enclave of Peking.¹⁴ As more leftist Chinese students reach voting age, their influence will be felt in the elections that will determine Singapore's form of government.

Singapore's major problem is economic. Furthermore, her economic difficulties have been complicated by her secession from the Federation of Malaysia. Singapore has no natural resources; even water is insufficient and has to be imported from Malaysia. Her greatest assets are her geographical position at one of the world's greatest crossroads of commerce and air routes, and the industry and intelligence of her people. These assets cannot be turned into advantage if she cannot attract trade, or if she cannot employ the young men and women pouring out of her schools and universities--or find them employment overseas.¹⁵

One of the concerns that was instrumental in the formation of Malaysia was fear that political and economic isolation might lead to mass unemployment and a Communist take-over. That fear is still valid. Even with a prosperous Singapore, accelerated by the market potentialities of Malaysia, and matched against the good government provided by the People's Action Party, the Barisan Socialist Party received one-third of the votes at the last election.¹⁶ Premier

¹⁴Ibid., p. 91.

¹⁵Sir Robert Scott, "China's Policy and Outlook," Australian Outlook, Vol. 19, Dec. 1965, p. 250.

¹⁶Denis Warner, "The Second Fall of Singapore," The Reporter, Vol. 33, 9 Sep. 1965, p. 29.

Lee, who maintains an unaligned, non-Communist, but not anti-Communist line, could hardly hold his mass support if there were also mass unemployment.

To improve her economic posture, it seems logical that Singapore will want to be on friendly terms with all nations, regardless of alignment, in order to foster the trade that her industries need. It is therefore possible that she may be faced with the dilemma of accepting elimination of the British base as the price of trade with the Communist or non-aligned nations.

Britain is spending \$280 million a year on her Singapore base and on the force that she maintains in the region for defense of Singapore and Malaysia. A substantial part of this money goes directly to the local labor force of 35,000 local people who are directly employed within the base; another bonus to the Singapore economy is provided indirectly by the troops and their 50,000 dependents, who are both significant employers of labor and substantial spenders.¹⁷ This dependency on the British may offend Prime Minister Lee Kuan Yew's deep sense of nationalism, but even extreme leftists have hesitated to demand the abandonment of the British base, because it supports such a large bloc of the population.

This situation provides Britain with an acute dilemma. Maintaining a military base on a predominantly Chinese and potentially

¹⁷ Denis Warner, "More Cracks in Malaysia," The Reporter, Vol. 33, 7 Oct. 1965, p. 42.

Communist controlled island is a gamble. Yet, to remove the base under existing circumstances would undoubtedly hasten the process it is designed to resist.

Official British circles in Malaysia concede that the secession of Singapore has strengthened the hand of those in Britain who feel that the base should go. At the same time, Lee has both given and received a firm assurance that for the predictable future, conceivably a very brief period these days, that the base will stay. He has also stated that if the British withdraw from either Singapore or Malaysia, he would consider asking the Russians to replace them as guardians of Singapore.¹⁸

Singapore has expressed conditional support for Communist China's admission to the United Nations and has allowed the Bank of China (ordered by the Malaysians to close) to continue operations. The Peking Government has so far preserved a cautious silence on the separation of Singapore from Malaysia, except for expressing its appreciation for allowing the Bank of China to remain open. However, opportunities for official and unofficial contacts with the island's predominately Chinese population now seem more favorable.¹⁹

Singapore's independence has added further elements of instability to the international alignments of Southeast Asia, since her relationships with Malaysia, Indonesia and mainland

¹⁸Ibid.

¹⁹P. J. Boyce, "Singapore as a Sovereign State," Australian Outlook, Vol. 33, Dec. 1965, p. 269.

China--the three Asian nations impinging most immediately on her material welfare and cultural traditions--have yet to be firmly established or made clear.

Malaysia, if it can be held together internally as well as in the face of external opposition, will represent a major step in the number of actual or potential political units in Southeast Asia. Fragmentation aided colonial interlopers in the past and would likewise aid the Communists today.

CHAPTER 3

THE PHILIPPINES

Geographically, the Philippine Islands extend from a point just east of Borneo (Sabah) to within sight of the rocks that mark Formosa's outpost. Here, they form an important link in the strategic island chain between the Pacific Ocean and the South China Sea (See Annex A). The Republic includes some 7,100 islands that have an actual land surface of 115,600 square miles¹ and a population of some 30.5 million people.² The Philippines are a staging area for U.S. operations in Southeast Asia, a center for U.S. air forces, and a site for U.S. naval bases. The Philippines are also a continuing source of raw materials, a market for American products, and a field for American investment.

As a long-range objective, dominance or non-alignment of the Philippines would be a particularly rich prize for Communist China, because of The Philippine Republic's special relationship with the United States. This relationship involves the prestige of American political institutions, the presence of American military bases, and the Christian religion. On the face of it, however, such a prospect for the Communists might appear very discouraging.

In some respects, the most militantly anti-Communist nation in the area has been the Philippines. Its government has fully

¹Albert Ravenholt, The Philippines, p. 3.

²Alastair Buchan, China and the Peace of Asia, p. 32.

endorsed Washington's policy towards Peking, and its leaders have been firm in their stand against recognition of Communist China. They have accepted both economic and military aid, agreed to the establishment of American bases on Philippine soil, joined in security arrangements such as SEATO, sponsored the Manila Charter and assisted the United Nations during the struggle in Korea. In addition, the Philippine government has opposed the trend towards non-alignment in Southeast Asia. Few former colonies have identified themselves so closely with the former metropolitan power.

The Philippine army is certainly anti-Communist at present, and much of its prestige derives from its successful campaigns against the Communist inspired Hukbalahap insurgency of a few years ago. The Roman Catholic Church, the only other institution that is nationwide in organization, is certainly anti-Communist and a formidable obstacle, but it has long ceased to have an ideological monopoly. The secularization of the state under the American regime, the rise of a business and professional class, and the strength of the institutions of public education have tended to neutralize the influence of the church in politics.³

As in so many primarily agrarian societies, the root of most discontent, unrest, and troubles lies in the land and its utilization. The Philippines have had a continuing major problem on the principal island of Luzon, whose central section is the rice bowl of the country. Central Luzon is badly overpopulated; the amount

³George Taylor, The Philippines and the United States, p. 285.

of absentee landlordism is staggering; the methods of cultivation are primitive; and there have been some cases where the Tao or peasant has received as little as 30% of his crop. The Great Sakdaklista Uprising, a socialist rebellion in the 1930s, should have given warning enough of the lasting dangers inherent in such a situation. And, in fact, after the rebellion was put down, advanced and responsive agrarian reform legislation was enacted, but it was never enforced.⁴

The basic cause of unrest following World War II again lay in land reform. The old laws were still valid; but they were still unenforced. Therefore, it was primarily upon the agrarian misery of central Luzon that the Hukbalahaps capitalized. By 1949, a major Communist-led insurgency was underway. This insurgency lasted for five years and was finally brought under control by the enlightened and dynamic leadership of President Ramon Magsaysay.

The years since Magsaysay's untimely death have in a sense been anti-climactic. The bright hope that he held forth has not been realized; perhaps not even he could have fulfilled the expectations that he aroused for land reform and honest efficiency in an uncorrupt government. The Philippine government has so far been strong enough to survive a weak and not entirely uncorruptible President Carlos Garcia, as well as President Diosdado Macapagal.

⁴John Melby, "The Philippines: A Unique Effort," Current History, Vol. 49, Nov. 1965, p. 279.

In foreign affairs, the Republic of the Philippines is probably less vulnerable to pressures from the chaos of Asia than most other countries. However, the same basic problems remain to be solved. In the matter of land reform, for example, the remedial measures which have been taken have not been good enough, and again there are ominous rumblings from the rice paddies. By now, it should be axiomatic that unless and until this major injustice has been corrected, there is a continuing question as to whether the Philippines will remain in the free world.

A new generation has grown up in the Philippines that barely remembers World War II, and it has never had intimate contacts with Americans. To this new generation, the United States is a foreign country and the Philippines and the Filipinos are Asian. Why should this generation accept American presence and American views without question? Why should it like American bases on Philippine soil or the preferential treatment the constitution gives American investments, even though a preferential position is enjoyed in return within the American tariff system?

The new generation is thinking for itself and is making its views known. President Marcos, who will take office in January 1966, must respond to these new pressures. Perhaps more significantly and unlike the older generation, which was unaware of any world outside of its own country and the United States, the new generation is acutely aware of Asia and the tides that are running there. This awareness may well be the beginning of a most difficult period of

American-Philippine relations. The unrest of the younger generation affords an opportunity for the introduction of Communist methods, such as the manipulation of political symbols and the creation of a new intellectual climate under the guise of nationalism.

Not being a contiguous neighbor of Communist China, the Philippines cannot be subjected very well to the same sort of military blackmail as can Burma, Laos and India--or at least not until Communist China develops greater nuclear power. This respite, however, does not preclude China's assuring the Philippines that the price of alignment with the West is the enmity of the Chinese who will use every device to eliminate American bases and encourage neutralism.

Thus far, Communist China has not succeeded in establishing diplomatic relations with the Philippines nor has she secured Philippine acceptance of offers of trade, aid or cultural exchanges. Nevertheless, these offers have been discussed and it would appear that some divided opinion on these matters has been achieved. There are numerous ways in which propaganda themes of anti-Americanism, anti-imperialism, and neutralism in Southeast Asia can be spread, particularly in a country whose press enjoys the extraordinary degree of freedom that it does in the Philippines. There is also a question of citizenship for the 500,000 Chinese minority in the Philippines.⁵ Unless they can be absorbed as

⁵Ravenholt, op. cit., p. 194.

confident, constructive members of the community, they are an obvious target for infiltration and subversion. Their need for a powerful outside protector could qualify them as a fifth column for Red China. Peking, as Liu Shao-Chi has pointed out, intends to use the Chinese for its own purposes: "We must continue to unite with patriotic Chinese living in various places abroad; they are a component part of the united front."⁶

The various pressures available to the Chinese Communists are being and will continue to be used to swing the Philippines to a neutral position, and to develop a climate of opinion among the intellectuals and students that is favorable to Communist objectives. The first step would seem to be revitalization of the Communist party and the training and recruiting of new cadres. The Communist party is outlawed in the Philippines and can hardly be considered as even covertly a significant force in present Filipino politics. Nevertheless, communism will remain a political danger to the Philippine State as long as unsatisfactory economic conditions plague the peasantry, and graft and corruption exist within the government.

The parliamentary approach of the Communist Party of the Philippines will probably include infiltration into existing organizations, particularly those of workers and peasants; and above all it will try to secure ideological leadership rather than formal or nominal leadership. The Party will endeavor to take

⁶Taylor, op. cit., p. 275.

advantage of the electoral process to secure the election of councilors, mayors, governors and congressmen who are party members and sympathizers. The main ideological weapon is nationalism, which is referred to in Communist directives as anti-Americanism. The idea that to be pro-Filipino one must necessarily be anti-American and anti-imperialist came to be more and more acceptable under the Garcia administration. Student and labor organizations have gone on record with numberless resolutions condemning Western imperialism and colonialism, nuclear tests, and United States bases overseas. Demands for the repeal of the parity amendment to the constitution and the Laurel-Langley Agreement, which provides preferential treatment to American investments and reciprocal tariffs with the United States, and for disarmament and neutralism, are constantly kept before the public.⁷

An important aspect of the campaign to change the climate of opinion is the effort to establish an image of the United States as "having the Philippines tied to its apron strings;" as a jealous guardian of economic privileges in the Philippines; and as the enemy of any Filipino attempts to break away from a colonial economy. The thesis that foreigners, mainly Americans, are responsible for all of the economic and other ailments of the Philippines would further promote the attempt to capture the elemental force of nationalism.

⁷Ibid., p. 282.

Although the Communists have not yet captured the ideological leadership in the Philippines, they have made some headway. It is now more difficult than it was before to maintain a moderate position. The trend towards the polarization of politics makes itself felt. In the election of 1961, there was much more emphasis on the idea that those who were not in favor of Filipino first were anti-nationalist.⁸ If the Communists should succeed in imposing their own definition of nationalism on those groups and parties that claim a monopoly on that sentiment, the tide will turn markedly in their favor. Much depends on how seriously the Marcos administration combats the problem of graft and corruption, and whether they accept it as a Philippine responsibility, rather than a legacy of imperialism. Progress in this direction would make possible the survival of a moderate nationalism, rather than an extreme nationalism. If no real progress is made in curbing corruption, then the polarization of politics can be expected to continue. In the meantime the Communists will continue with every effort to control mass organizations, which will serve to make their influence felt through strikes and violence.

The existence of a well-organized subversive group does not necessarily mean that it will bring communism to the Philippines in the next few years. The Philippine Communists are facing some obstacles that they did not have to face twenty-five years ago.

⁸Ibid., p. 284.

The main one is that the Philippine government is alert to the danger of communism. Furthermore, it has the great advantage of already having crushed one serious and widespread effort to seize power. Communists are better understood now as a local and international phenomenon, and powerful domestic forces are aligned against them. The chances of the party's being given legal recognition are not very good at the present time. For the time being, the Philippine Communists have to operate without a legal branch, but this in itself is not necessarily a crippling handicap for a movement that normally keeps the main part of its work underground until favorable conditions exist. In many ways it is much more difficult to fight an illegal than a legal Communist party, such as in Indonesia, if only because the organizations that it infiltrates and the ideas that it promotes are harder to identify.

From the Communist point of view, conditions are more favorable than they were a quarter of a century ago. Since the war, the Filipinos have established a number of private colleges that are run on commercial lines. These institutions provide a shoddy education for thousands of students who cannot get into the University of the Philippines and the few other institutions with high standards. Many of the graduates of these diploma mills are unemployed and dissatisfied with their lot. They are a sort of intellectual proletariat that provides a lucrative source for the recruiting of active members of the party and participants in front organizations. Communist propaganda can exploit Philippine

domestic and foreign problems, ranging from dissatisfaction with the presence of American bases and preferred treatment for United States business interests, to the continuing inadequacies of the democratic processes in the country. At one end of the scale, it would take little propaganda to emphasize and exaggerate the miserable condition of much of the peasantry and the large numbers of partially or totally unemployed peasants and workers. At the other end of the scale, among the elite now in power or near the center of power, there are those who feel that Philippine Nationalism can only be expressed by taking a course different from that of the United States. Therefore, they toy with anti-Americanism and neutralism.⁹

More sanguine Philippine nationalist elements have long deplored the Philippine dependency on the United States. They are anxious to give the country a more genuinely Asian image and they view the 1951 Mutual Defense Treaty with the United States as a grave and continuing liability. They also tend to magnify all incidents involving American military bases, as indelible stains on their national honor.

Today, Philippine communism and the Huk "Liberation Movement" possess new intellectual dimensions. The radicalization of the Philippine youth and intelligensia steadily proceeds, frequently under the catalytic influence of Indonesian policies in Southeast Asia. The classic Communist vocabulary and standard Communist

⁹Ibid., pp. 284-286.

theoretical concepts, e.g., "national democracy," the "anti-imperialist" and "anti-feudal" united front of proletariat, peasantry, petty and national bourgeoisie struggling against "American neo-colonialism," are now the editorial guidelines of the Progressive Review. The Review is a publication to which two deans of leading Philippine universities and a member of the Philippine senate evidently feel quite ready to contribute. The convergence of anti-American, militantly nationalist, "neutralist" and Marxist currents of thought in the midst of economic and foreign policy crises, affords the Communist movement in the Philippines with its best opportunity in the country's history.¹⁰

The adjustment of the new Asian nations to each other, after the long period of isolation under imperial controls, is one of the revolutionary political facts of our time. Out of this adjustment has come mutual criticism, such as differences over neutralism. Other by-products of adjustment are cooperation, such as the Colombo Plan, and alliances such as SEATO. There has also come a watchful competition between the new nations to find a workable solution to the problems of national development.

The result of this competition is often ideological confusion. Countries that are committed to the free world may be ideologically uncommitted, and vice-versa. This ideological confusion appears to be the most crucial issue on which the Communists might engage the West and the United States. What should

¹⁰Justus M. Van der Kroef, "The Rift in Philippine-Indonesian Relations." Eastern World, Vol. 19, Oct. 1965, p. 14.

be the Filipino view of the world, the place of the Filipino in it, and the shape of the future for the Filipino Nationalist? Whoever captures Philippine nationalism captures the Philippines. This explains why there is a basic struggle to shape the attitudes of the elite and influence the models of national development that will attract them.

The Communists, however, have something to work with, even if reform by the government should be successful and thus should impede the polarization of political life that the Communists want. They can be expected to make the most gains where the administration is the weakest, which is in its ideology. They can press the battle of ideas in labor unions, the front organizations, the schools and colleges, the press and magazines, the literary and artistic world, and in foreign affairs. The Communists will continue their efforts to infiltrate labor organizations. New organizations will be formed, using the names of national heroes.

In addition, resumption of the armed struggle is not improbable. The revitalized Hukbalahap organization is said to comprise about 14,000 participants, with a highly trained cadre core of about 300, and a number of specialists in terrorism and subversion. A systematic campaign of terror and extortion of rural officials and landowners, as well as vague promises of "land reform" and ameliorating the working and living conditions of the tenant farmers, have been the new Huk organization's stock and trade.¹¹

¹¹Ibid.

It would appear logical for the Communists to initiate enough guerrilla warfare to require commitment of Filipino armed forces and an increase in the military budget. This accomplishment would serve an added purpose of detracting from the present conflict in South Vietnam.

CHAPTER 4

INDONESIA

Indonesia is one of the major countries in the world, both in terms of area, which stretches for some 3,000 miles at a key point between the Indian and Pacific Oceans (See Annex A), and in terms of its 100 million people which make it the fifth most populous country in the world. A nation still in the strongly nationalist phase, it is led by President Sukarno, a man of great political gift. The country's other strongest political forces, both of which support President Sukarno, are the Indonesian Communist Party (PKI) and the strongly nationalist, anti-Communist army. Economically, the situation in Indonesia has been deteriorating for some time and the confrontation with Malaysia has further accelerated the deterioration.¹

The course of conduct and the methods of government of Indonesia during the past five or six years, involving the uncertainty of its objectives, have made this country a major element of concern to both the Communist and Western powers in Southeast Asia. The concern over the role of Indonesia has increased in recent years because its government has created the strongest and best military forces among the non-aligned nations of Southeast Asia, and it has the largest Communist party outside of the Soviet Union and Communist China.

¹Alastair Buchan, ed., China and the Peace of Asia, p. 26.

The independence which this former Dutch colony acquired in 1949 after a decade of occupation, war and revolution did not usher in a period of peace and tranquility. The country was still unsettled, and the Western-leaning groups who held the balance of leadership in the first few years failed to react strongly and decisively to domestic turmoil. Political instability, army disaffection, regional grievances, and religious animosities all combined to sap the political system in a series of rebellious uprisings which, though substantially kept under control, continued into 1961-1962.

The result of this turmoil has been the reconstruction of Indonesian politics into a system initially described as Guided Democracy, but now known as The Revolution. The groups that previously were dominant have been displaced by a coalition that is led and is ideologically justified by President Sukarno. It is based primarily upon the Indonesian Army and the Indonesian Communist Party.

The lack of political education and experience, the widespread illiteracy, and the limited horizon of a predominantly peasant population have led to a low level of political consciousness which tends to perpetuate Sukarno's rule and facilitate the efforts of the Indonesian Communist Party (PKI). Primary political power is exercised by President Sukarno, based upon his ability to maintain influence over the PKI and the strongly nationalist, anti-Communist Army. PKI power rests basically on its legitimacy and respectability, and its strong organizational control over its followers.

Its legitimacy and respectability are attributable to Sukarno's public endorsement of the party as a genuine part in the political process and nationalist movement. Publicly recognized, it can operate openly and with some degree of popularity.

The Indonesian Communist Party with two and one-half million members and front organizations that include about 10 million people ranks as the third largest Communist party in the world.² Furthermore, the PKI has abandoned its neutral position between Peking and Moscow and has moved much closer to China.

The PKI has served Chinese Communist strategy well. It has continually opposed the anti-Communist Army, been responsive to Peking's direction, and most recently has been a staunch supporter of that regime in its opposition to Russia. Through skillful tactics, the Communists have imposed their will on President Sukarno and have influenced many of his domestic and external decisions which have resulted in drawing Peking and Djakarta closer together. Their infiltration and control of the peasantry, labor unions, front organizations, youth groups and state owned utilities, such as postal, communications and other facilities, have added to their power and influence. The manipulation of Sukarno's own nationalist slogans and symbols to capture public support have been of particular value. Perhaps the greatest problem has been the limited penetration of the army, although some progress has been reportedly made in the lower ranks where the social status

²Ibid.

is on a level with the peasantry and masses rather than the elite. For all practical purposes, the PKI has been an informal arm of the Chinese Communist Government.

Since the advent of its new self-styled "Leninist" leaders in the early 1950s, the PKI has followed a "long haul" policy of steadily exerting pressure on the government, of "taking two steps forward" and "one step back," if necessary, and of alternately leaning on, hiding behind, or fronting for Sukarno. It has skillfully risen to the momentum of such developments as the anti-Malaysian campaign or the worsening economic conditions, and has gradually penetrated or enveloped whatever organizational or legal obstacles have been placed in its way. Above all, the PKI has exploited the steady radicalization of the character of Indonesian national ideology and political life.³

Existence of the rapprochement between Communist China and Indonesia, which became more prominent in late 1964, did not develop overnight. Rather, it was the culmination of a gradually evolving sense of harmony between certain aims of Indonesian nationalism and Peking's long term objective to create a China-centered political order in the far east that would exclude the presence of major Western powers, particularly the United States. China's policies in relation to Indonesia have been linked with a broader Asian policy that emerged at the Bandung Conference in 1955. This strategy was predicated on the assumption that the aims of Asian

³Justus M. Van der Kroef, "Indonesian Communism's Revolutionary Gymnastics," Asian Survey, Vol. 5, May 1965, p. 231.

nationalism would result in a long period of conflict with the Western powers, and that Peking could exploit this conflict to restore the Middle Kingdom's preeminence in the far east by promoting wherever possible a convergence of interest between "anti-imperialist" nationalism and Chinese Communism.⁴

The Republic of Indonesia is a key objective in Peking's grand design. For whether all of Southeast Asia can be brought into the Chinese political orbit depends to a very large degree on how successful Peking policies are in relation to Djakarta. An Indonesian regime that is hostile to China, whether "nationalist" or "Communist" in orientation, would present a major obstacle to the furtherance of Peking's long-range objectives. Conversely, a convergence of interests between the two powers would aid in the realization of China's aims.⁵

Since the long-range strategy of Asian nationalism began with the Bandung Conference in 1955, Chinese Communist leaders have consistently shaped their policies toward Indonesia so as to maximize the areas of common interest between the two countries. In the course of carrying out this strategy, Peking has been faced with conflicts of interest which have created a necessity to sacrifice short-range for long-range objectives. There have been Chinese communities in Java and Sumatra for centuries. They have never been very popular with the Indonesians, and there have been

⁴D. P. Mozingo, Sino-Indonesian Relations: An Overview, 1955-1965, p. v.

⁵Ibid., p. 2.

occasional anti-Chinese riots. It is only a few years since President Sukarno expelled thousands of Chinese from Indonesia. He justified this action on grounds of economic nationalism, though the real basis was racial. At no point, however, has China allowed such setbacks to destroy the close and cordial relations between the two countries. This policy of alignment with Indonesia has been so basic that it has continually overridden other factors that affect Peking's response to the rapidly changing political environment in Djakarta. Chinese communities in Indonesia may be a political embarrassment for China. Valuable as they are as markets and salesmen for Chinese products, and perhaps useful also for intelligence purposes, the Chinese Government will not wish to push protection of overseas Chinese in Indonesia at the expense of straining relations with the Indonesian Government.

The collaboration between Peking and Djakarta is in some ways surprising, considering the lack of historical ties and racial sympathies. The defection of the PKI from support of the Soviet to support of the Chinese Communist Party is one link. The Indonesian Communists probably saw more in the Chinese than in the Russian experience that seemed relevant to Indonesian conditions. Politically, the two governments agree on some international issues. Both are anti-Western; both want to assert world status; both want to build up the Afro-Asian bloc by exploiting anti-white sentiment; neither has any use for the United Nations; both have been prominent in suggesting the idea of launching a new international group in rivalry with the United Nations.

But even if identity of view does not go all the way and the Chinese consider the Indonesians impetuous, Indonesia is an ally of first importance to China. Indonesian prestige in the Moslem world can be useful to China and, strategically, Indonesia's position, separating the Pacific and the Indian Oceans and the two pro-Western countries of Malaysia and the Philippines, is of major significance to China.

Under the influence of President Sukarno's thinking in recent years, Indonesia has perceived a national destiny leading her to predominance in Southeast Asia. Sukarno even wants to project Indonesia's influence beyond Southeast Asia so that it will aid in the struggle "to eradicate imperialism from the face of the globe." This aspiration clearly runs parallel to Communist China's objectives. The broad lines of Chinese policy toward Indonesia, especially since 1963, indicate that Peking believes that a greater Indonesia will be compatible with its present interests and can eventually be accommodated with a future China-centered political order. The fact that the Chinese leaders have simultaneously cultivated both the highly nationalistic Sukarno Government and the Indonesian Communist Party demonstrates again that it is primarily the long-range convergence of Peking's and Djakarta's national objectives, rather than purely ideological considerations, which the Chinese see as leading toward an alignment of the two powers.⁶

⁶Ibid., pp. 4-5.

Perhaps the most significant aspect of Indonesia's current confrontation campaign against Malaysia has been the role of the PKI. At the close of 1961, well over a year before the Indonesian Government launched its own official campaign of opposition, the PKI had begun its own attacks on the concept of a Malaysian Federation. The PKI branded it as a "neo-colonialist" concept and "an unacceptable colonial intrigue." The PKI's campaign gained accelerated support from various other powers in Indonesia, notably the Presidency and the Army.⁷ By means of this anti-Malaysia strategy, the PKI first of all managed to recapture much political initiative by breaking through the earlier, largely Army imposed, restrictions on its operation. Since 1962, it has risen gradually but steadily to new levels of power. Furthermore, it has succeeded in removing anti-Communist army commanders and high ranking regional officials from office, and has brought about the appointment of its own supporters to important diplomatic and other governmental posts, including the Cabinet.⁸

Secondly, through the anti-Malaysia confrontation campaign, the PKI has assisted in aligning Indonesia increasingly with the foreign policy of Communist China. The parallel foreign policies were particularly evident at recent African-Asian solidarity conferences, and can also be seen in Sukarno's current vehement

⁷Justus M. Van der Kroef, "The Sino-Indonesian Partnership," *Orbis*, Vol. 8, Summer 1964, pp. 334-335.

⁸Herbert Feith, "President Sukarno, the Army and the Communists: The Triangle Changes Shape," *Asian Survey*, Vol. 4, Aug. 1964.

denunciations of United States' "imperialist policies" in Cambodia, Laos, Vietnam and Latin America that are nowhere so approvingly cited as in the Peking press.⁹

Although the accelerating confrontation of Malaysia has been a major factor in the resurgence of the PKI since 1962, it has also been of benefit to the Army. Above all, reorganization and retrenchment (after the West Irian Campaign), and loss of its mass character, would have meant a weakening of the army vis-a-vis its principal antagonist, the PKI. For the army, as for President Sukarno, confrontation with Malaysia has been a means of maintaining the status quo and the power functions of the principals within it.

Clearly for the PKI, "the countryside" of the world, particularly Southeast Asia, is the arena where the party has an obligation to exert the greatest degree of militant revolutionary pressure. The campaign against Malaysia is not the only dimension of this obligation. Within the framework of current Sino-Indonesian cooperation, support of the anti-Malaysia campaign has also become a test case of Peking's own militancy in relation to her continuing policy conflict with Moscow. It is precisely this broader implication of the confrontation with Malaysia--its association not just for the mystique of "Greater Indonesia," but more importantly with a mission of carrying a "revolutionary offensive" to all of Southeast Asia in cooperation with Peking--that has made it of such significance to the PKI.¹⁰

⁹Justus M. Van der Kroef, "Indonesian Communism's Expansionist Role in Southeast Asia," International Journal, Vol. 20, Spring 1965, p. 189.

¹⁰*Ibid.*, p. 194.

The official emphasis on unconventional tactics in the pursuit of the struggle against imperialism in Southeast Asia and the world came at a time when Indonesia had reached a new danger point in its continuing and seemingly insoluble food crisis. The new line that stresses a need for unconventional militancy may (or may not) have served as a rallying point for popular restlessness. Attempts have been made to bring the food crisis and hope for solutions to it into close partnership with Indonesia's image of her new "great nation" role in Southeast Asia and the world, and thus with the PKI's own enlarged revolutionary ambitions.¹¹

It was President Sukarno who gave the problem a new dimension by declaring that the popular mobilization against Malaysia was not for the sole purpose of defeating the "neo-colonialist" Federation; it was needed also to consolidate the nation and make it self-reliant in production. Since then, the theme that the food problem and the Malaysia issue are somehow intertwined and must be solved together has become increasingly popular. The PKI has been particularly adept at relating production difficulties to the "imperialist encirclement" of Indonesia by a "British Malaysia."¹² Thus, the edge of hunger and popular frustration over economic stagnation are made to accentuate the anti-Malaysia campaign in general and Indonesia's expansionist role in particular.

The increasing cooperation of the Malaysian Communist underground with the PKI, in an arc reaching from Southern Thailand to

¹¹Ibid., p. 197.

¹²Ibid., p. 198.

Northern Borneo, suggests the gradual development of a revolutionary complex of forces to be directed against the whole non-Communist Southeast Asian area. Documents seized by Philippine constabulary agents in connection with the arrest of Doctor Jesus Lava, Secretary General of the outlawed Philippine Communist Party in May 1964 revealed that Communist activities are now infiltrating into the Philippines through Indonesia. Reportedly, hundreds of Filipinos likewise have joined the anti-Malaysia guerrilla forces in North Borneo. According to Jose Lukban, director of the Philippine National Bureau of Investigation, the anti-United States demonstration in Manila in October 1964 was instigated by Indonesian Communists. The Indonesian Government has denied that its nationals were involved, but there is little doubt that Indonesian infiltrators, recently apprehended by Filipino authorities, have included Communist agents and that Indonesia has been involved in a press and student agitational campaign in the Philippines to break close relations between Washington and Manila.¹³

It was not just the fact that Peking strongly supported Indonesia's withdrawal from the United Nations as a "bold revolutionary action" by "a brave and militant people," nor again, that Sukarno has been at pains to emphasize the identity between the Indonesian and Chinese revolutions, that provided the better insight into the current dynamics of Indonesian policy. Rather

¹³Justus M. Van der Kroef, "The Rift in Philippine-Indonesian Relations," Eastern World, Vol. 19, Oct. 1965, p. 13.

it was the fact that the PKI chairman, at the request of President Sukarno, conferred at length with ambassadors from Communist countries in Indonesia regarding withdrawal of Indonesia from the United Nations. Thus, the PKI, both in its policy demands and organizational tactics, has for all practical purposes been an informal arm of the Chinese Communist Government.¹⁴ The close meshing of PKI tactics, official Indonesian ideology and foreign policy, and Peking's own evident ambitions in Southeast Asia, has thus become a new driving force of international relations in Southeast Asia.

The new boldness in PKI policies is part of the party's long-range strategy to press constantly for radicalization of the Indonesian public life, and the government's program. In May 1964, for example, local PKI committees began a campaign to implement the four-year-old basic agrarian law. This law, with its related measures that sought reapportionment of land on the basis of definite minima, had largely remained a dead letter matter. The PKI cadres urged the peasantry in central Java to seize land that would eventually be redistributed if the land reform program were carried out. The PKI also encouraged tenants to refuse to pay their landlords the 40% or 50% of the crop to which the latter are entitled; and they initiated press and mass agitation campaigns against local government officials who were said to be reluctant

¹⁴Justus M. Van der Kroef, "Indonesian Communism's Expansionist Role in Southeast Asia," International Journal, Vol. 20, Spring 1965, p. 205.

in implementing land reform legislation. The PKI had so effectively dramatized its point among central Java's growing rural proletariat that the party's peasant front was rumored by August 1964 to be enrolling hundreds of new members daily. It is this kind of muscle-flexing which has become such an important factor in Indonesia policy considerations. It means, for example, that negotiations to settle the Malaysia issue are becoming futile, since a reversal of guerrilla protracted war strategy as now being implemented by Indonesia against Malaysia, and in fact against all of Southeast Asia, appears no longer possible because of the PKI's strength.¹⁵

The fact that the PKI shares but little responsibility for government policy also aids in its criticizing and exploiting Indonesia's stagnating economy and popular misery. It can offer various purely rhetorical suggestions for improvement, and pronounce that the country's economic problems are really insignificant when compared to the national objective of "crush Malaysia." It has not been necessary for the PKI to exaggerate the country's economic difficulties; the facts speak for themselves. Allegations of corruption and mismanagement of the economy have been favorite and successful PKI tactics. Continued extensive hoarding and corruption in the distribution of basic commodities through government food and clothing shops have been widespread. With

¹⁵Justus M. Van der Kroef, "Indonesian Communism and the Changing Balance of Power," Pacific Affairs, Vol. 37, Winter 1964-1965, pp. 380-381.

monotonous regularity the government announces "new operations" to uproot corruption and economic manipulations, or it launches new investigations of "major economic offenses." Indonesia's inflation-ridden economy offers numerous opportunities for graft, and these the PKI has quickly seized upon to bolster its doctrinaire demands for eliminating "imperialist" capital or removing bureaucratic capitalists." The latter term, which customarily refers to the managers of various state enterprises (many of whom are retired army officers), has been a particular favorite.¹⁶

It is difficult to estimate the extent to which continuing economic disorganization and popular misery have become significant factors in Indonesia's domestic politics, but there is little doubt that the PKI has effectively exploited the country's economic problems. In this regard, the party or its fronts do not have to manufacture the issues. For example, the price of low quality rice in Djakarta rose from 130 rupiahs per litre in early June 1964 to 215 rupiahs by the end of the following November. Throughout October and November 1964, Cabinet Ministers repeatedly forbade public discussions of the country's rice shortages and rising prices; but, in the midst of falling industrial production and the virtual collapse of the highly touted Eight Year Development Program, the only suggestion for improvement heard was that more government controls were needed. That agrarian unrest was likely to continue became apparent in November 1964 when three peasants

¹⁶Ibid., pp. 368-670.

were killed by the police during a riot over land redistribution. Large demonstrations protesting rising food and living costs continued in 1965. Supported by the PKI, the demonstrations were frequently coupled with such demands as removal of Trade Minister Malik, or "retooling" of the government. Under the circumstances, the popular appeal of the sweeping, if vaguely worded, economic reforms proposed by the PKI could only increase.¹⁷

There has been considerable speculation that after President Sukarno's demise, open violence would develop between the PKI and its opponents. Until the attempted coup of 30 September 1965, this seemed improbable. It appeared more likely that attempts would be made to perpetuate the pattern of Sukarno's political balancing by means of substituting a suitable figure such as Foreign Minister Subandrio or Defense Minister Nasution. Under the system of mutual accommodation, the PKI had done well, and it stood more to gain through a steady weakening of its opponents, including the armed forces, than from driving matters into open conflict. This strategy had been the key to the party's success in the past.

On the other hand, the PKI may have anticipated an attempted coup by the army as a means of eliminating the power of the PKI. This anticipation would explain the increased momentum of the PKI's drive toward power and new eminence in domestic politics,

¹⁷Justus M. Van der Kroef, "Indonesian Communism's Revolutionary Gymnastics," Asian Survey, Vol. 5, May 1965, p. 231.

particularly since Indonesia has become so dependent on China. Sukarno, as late as January 1965, had publicly rejected a PKI proposal to arm the peasants and workers so that they might "assist" in the anti-imperialist struggle. In February, however, he declared that, if necessary, peasants and workers would indeed be armed "to defend the country shoulder to shoulder with the regular armed forces." In the period between his two pronouncements the PKI and its front organs had launched an intensive campaign for the supplying of arms to the masses, quite clearly to prepare for an eventual power struggle with the army.¹⁸

During the course of preparing this paper, the attempted coup d'etat of 30 September 1965 took place. This is probably the largest setback the Chinese Communists have had; whether they were involved in the coup as some rumors have suggested (the truth is hardly clear and details are lacking), the outcome appears to have left President Sukarno with greatly reduced power, and the anti-Chinese feelings of the average Indonesian have been much inflamed. As things were, the Indonesian Communist Party stood a good chance to increase its influence, and it was already in the process of consolidating its power. This ground apparently has been lost, and, while the PKI is certainly not finished, it has a long way to go before becoming powerful again. The latest events in Indonesia are bound to direct Indonesian attention back to her internal problems.

¹⁸ Ibid.

The news from Djakarta suggests that a prolonged struggle for power will take place, notwithstanding the outcome of preliminary skirmishes. It is probably safe to assume that China will continue to maintain a discreet silence and an ambivalent attitude towards President Sukarno and the PKI, except for protests against mistreatment of Chinese, until the outcome of the struggle becomes clear.

CHAPTER 5

CONCLUSIONS

Both Malaysia and the Philippine Islands have strongly pro-Western, anti-Communist governments. Political domination by Communist China, or achievement of the neutralism of either or both of these countries, would be a rich prize for Communist China.

While any change in their alignment seems remote, there are areas where principally subversive methods, in combination with the other instruments available to Peking, may be applied with some degree of success.

In Malaysia and Singapore the most favorable areas for exploitation are:

1. Support of the Indonesian campaign against the Federation of Malaysia by guerrilla warfare.
2. Racial discrimination, religious issues and nationalism.
3. Support of overseas Chinese.
4. Support and revitalization of the Communist party as a coordinated unit, including increased support for the Barisan Socialist Party in Singapore.
5. Students, intellectuals and the younger generation.
6. Singapore's political and economic isolation.
7. The presence of British military bases in Singapore and Malaysia.

8. Singapore's foreign policy.

9. Fragmentation or dissolution of the Federation.

In the Philippines, the most favorable areas for exploitation are:

1. The agrarian unrest that stems from a lack of enforced reforms; poor working conditions; and widespread unemployment.

2. The preferential treatment of American investments and economic privileges afforded the United States.

3. The climate of opinion among students, intellectuals, and the younger generation.

4. The overseas Chinese.

5. Revitalization and support of the Communist party.

6. Graft and corruption in the government.

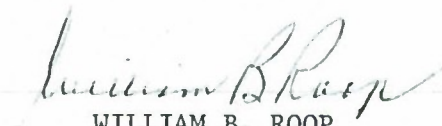
7. Filipino nationalism and ideology.

8. American military bases on Filipino soil.

The convergence of Chinese Communist and Indonesian nationalist aims and interests have drawn these two countries close together and furthered the Chinese objective of political domination in the area. The political future of Indonesia is not yet clear, but, as a result of the recent coup and prolonged power struggle which is in progress, Communist China has received a severe setback in this country. These recent events make it difficult to predict Chinese strategy, but a cautious silence, broken by relatively mild protests against mistreatment of the

Chinese, until the situation becomes clear, seems the best course of action.

Since the strong legal Indonesian Communist Party has been for all practical purposes an informal arm of the Chinese Communist Government, it has served Peking's strategy well. The latest events in Indonesia are bound to divert Indonesian attention back to its internal problems. In addition to weakening the Communist Party, this turn of events may seriously detract from the anti-Malaysian campaign. As things were, the Indonesian Communist Party stood a good chance of increasing its influence and continuing its consolidation. This ground has been lost, and, while the party is certainly not finished, it will have a long way to go before becoming powerful again.


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ANNEX A

